

Staff Summary Report



To: Mayor & City Council
Through: City Manager

Agenda Item Number 31
Meeting Date 12-13-01

SUBJECT: Award of Contract #02-063 - Emergency Ambulance Transportation Services

PREPARED BY: Donna Littrell, CPPB, Procurement Officer, 480-350-8516

REVIEWED BY: Ron Gauthier, CPPO, Central Services Administrator, 480-350-8405

BRIEF: Request to award a contract for Emergency Ambulance Transportation Services.

COMMENTS: **Purchases (1004-01)** Request to award a two-year contract with renewal options of three additional 2-year contracts for Emergency Ambulance Transportation Services to SW General Inc. These services are provided at no cost to the city.

Document Name: (20011213fssl05) Supporting Documents: Yes

SUMMARY: **Historical background**

Emergency Transportation Services have been provided in the City of Tempe by a single provider since the mid 1980's. These services have historically been provided under a contract/agreement established by a Request For Proposal process. However, over the last two decades the number of qualified ambulance service providers has diminished. This has occurred as a result of mergers, bankruptcies, or other circumstances.

Evaluation Process

The Arizona Department of Health Services regulates the ambulance transportation industry in the State of Arizona. To provide emergency (911) transportation services in the State of Arizona, a provider must have a valid "Certificate of Necessity (CON)". This CON authorizes a provider to provide transportation coverage/services for a certain geographical area. These boundaries may be within a city limits, or may extend throughout the entire county. There are currently three providers that have a valid CON that covers the City of Tempe. Of the three eligible providers, the same corporation owns two. This corporation, SW General Inc., provides emergency ambulance transportation services for all municipalities within Maricopa County with the exception of the City of Phoenix and certain unincorporated areas. The remaining company provides emergency transportation services in various unincorporated areas throughout the valley as well as inter-facility (non-emergency) transportation within the city limits.

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RFP - #02-063 Emergency Transportation Services

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The recommended vendor has satisfactorily provided uninterrupted 911 transportation services for the City of Tempe for more than 15 years. This vendor provides a large number of ambulances strategically placed not only in Tempe but throughout the valley that are readily available in the event of a large-scale emergency/disaster or during peak usage periods. The second vendor has a smaller number of ambulances and would have a more difficult time responding to a request for multiple ambulances.

FISCAL NOTE: These services are provided by the contractor at no cost to the City of Tempe.

RECOMMENDATION: It is recommended that the City Council award a two-year contract with an option for three additional two-year extensions to SW General Inc. (Southwest Ambulance).

Approved by:

Donna Littrell, Procurement Officer
Cliff Jones, Fire Chief

Memorandum

TO: Ron Gauthier, CPPO
Central Services manager

FM: Cliff Jones
Name of Department Head (Director/Chief)

11-15-01
Date

Fire
Name of Department

SUB: Limited Source Determination

As Head of the City Department for which the needed professional service will be contracted, I have made a determination that only one (1) reasonable and practicable professional services provider exists. As such, I am authorizing the City Procurement Office to work with my Department to negotiate an acceptable contract with:

Service Provider's name: SW General Inc. (Southwest Ambulance)
Provider's contact: Scott Long
Phone number: 480-655-7207
Service Provider's address: 222 E. Main St. Mesa, AZ 85201

Description of Professional Service to be provided:

The services to be provided through this agreement include Emergency Transportation Services for all patients treated and transported by the Tempe Fire Department. These services include, but are not limited to, emergency transportation, patient monitoring and treatment, special event standby, and participation in department training and annual drills. The vendor through a sufficient number of ambulances properly equipped and appropriately staffed will provide these services. These services will be provided by the Vendor at no cost to the City.

My (customer) department contact for this procurement is Pat Bailey at Ext. 7210.

My Limited Source determination is based upon extensive research conducted by my department as to possible providers and a written justification is attached for City Procurement Office records.

As related to this contract, there are no conflicts of interest, legal, ethical or preference issues which would compromise my (customer) department or the resulting contract.

Department Head's Signature



Date

11-28-01

City Procurement Ordinance 97.55 Sec. 26A-9 identifies the basis for a Limited Source procurement as follows:

“If the director of the using department determines in writing that the nature of the service presents such limited competition that a competitive process cannot reasonably be used or, if used, will result in a substantially higher cost to the city, will otherwise impair the city’s financial interests or will substantially impede the city’s administrative functions or the delivery of services to the public; or if only one provider has the experience and capability to successfully perform the contract; or if the need was not known in sufficient time to allow for competitive procurement and time is of the essence. The director of the using department shall be responsible for making a limited source determination, prepare and sign a written limited source justification for not seeking competition and transmit the justification to the procurement office with a requisition for the procurement.”

Unless the director of the using department makes a limited source determination, the procurement office shall issue competitive solicitations for the professional services.

Professional service contracts shall be reviewed by the city risk manager and city attorney before signing; and contracts with a dollar value expected to exceed the dollar value requiring council approval shall be submitted for such review and approval.

The following information contains justification for utilizing a "Limited Source Determination" agreement for Emergency Transportation Services for the City of Tempe:

Emergency Transportation Services have been provided in the City of Tempe by a single provider since the mid 1980's. These services have historically been provided under contract/agreement established by an RFP process. However over the last two decades the number of qualified ambulance service providers has diminished. This has occurred as a result of mergers, bankruptcies, or other circumstances. The Arizona Department of Health Services (AZDHS) regulates the ambulance transportation industry in the State of Arizona. To provide emergency (911) transportation services in the State of Arizona a provider must have a valid "Certificate of Necessity (CON)". This CON authorizes a provider to provide transportation coverage/services for a certain geographical area. These geographical boundaries may be within a city limits, or may extend throughout an entire county. There are currently three providers that have a valid CON that covers the City of Tempe. Of the three eligible providers two are owned by the same corporation. This corporation provides emergency ambulance transportation services for all municipalities within Maricopa County with the exception of the City of Phoenix and certain unincorporated areas. The remaining company provides emergency transportation services in various unincorporated areas throughout the valley as well as interfacility (non-emergency) transportation within the city limits.

The vendor that we are recommending to provide the services listed above has satisfactorily provided uninterrupted 911 transportation services for the City of Tempe for more than 15 years. This vendor provides a large number of ambulances strategically placed not only in Tempe but throughout the valley that are readily available in the event of a large scale emergency/disaster or during peak usage periods. The second vendor has a smaller number of ambulances and would have a more difficult time responding to a request for multiple ambulances.

From a financial perspective of the three qualified vendors the individual company filed for Chapter 11 on 07/03/97. Additional paperwork was filed on 03/13/00 with documentation continuing through 08/13/01. It appears from the information available that this company remains in Chapter 11. The recommended corporation, while not profitable, is solvent.

We are proposing that we enter into a 2-year agreement for services with the vendor listed above with an option for three additional 2-year extensions. (See Attachments)

AMBULANCE TRANSPORTATION SERVICE AGREEMENT

THIS AGREEMENT is entered into this ____ day of November 2001, by and between THE CITY OF TEMPE, an Arizona municipal corporation ("City"), and SW General, Inc., dba Southwest Ambulance, an Arizona Corporation ("Provider").

RECITALS:

A. City desires to provide for the health, safety and general welfare of its citizens, residents, and inhabitants with respect to emergency ambulance and medical transportation services.

B. City must often request emergency ambulance transportation for members of the public through the operation of its police and fire departments.

C. City desires to have Provider furnish such emergency ambulance services, and Provider desires to receive any and all such requests for service.

D. City and Provider desire to enter into this Agreement on the terms and conditions hereinafter stated.

E. The Provider is the holder of a current Certificate of Necessity issued by the Arizona Department of Health Services to provide emergency ambulance service within an approved service area which includes the City.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the mutual promise, covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

a. The term "Automatic Aid Contract Areas," as used in this Agreement shall mean all areas surrounding the City, and within the Provider's approval service area, in which the City has agreed to provide service pursuant to automatic aid contracts.

b. The term "ALS/BLS Ambulance" as used in this Agreement shall mean an Ambulance, which contains advanced life support and/or basic life support systems, as those terms are defined by DHS.

c. The term "DHS," as used in this Agreement shall mean the State of Arizona Department of Health Services.

d. The term "EMS Services Area," as used in this Agreement, shall mean all areas within the boundaries of the City and within Providers Certificate of Necessity service area.

e. The term "Ambulance" as used in this Agreement, shall mean vehicles used in the transport of those receiving EMS (emergency medical services). A dedicated Ambulance unit is an ambulance dedicated to perform the services required under this Agreement.

f. The term "Code 3 call," as used in this Agreement shall mean a call in which the use of red lights and sirens are requested at the time of the initial request and red lights and sirens are used up and until arrival on the scene of an incident.

g. The term "Code 2 call," as used in this Agreement shall mean:

(i) A call in which the use of red lights and sirens are not requested by the City for Ambulance response to the scene of an incident.

(ii) A call in which the initial request by the City was for a Code 3 Call, but was downgraded by the City to a Code 2 Call prior to arrival on the scene of an incident.

(iii) A call in which the initial request by the City was for a Code 2 Call, but was upgraded by the City to a Code 3 Call prior to arrival on the scene of an incident.

2. Commencement Date. This Agreement shall commence following the last to occur of the following events:

a. Execution of this Agreement by the Provider;

b. Final approval of this Agreement by City and execution hereof by City's authorized agent; and

c. Approval of this Agreement by any governmental entity or regulatory body of any nature from whom approval of this Agreement is required by any statute, law, ordinance, rule, regulation or other legal requirement.

d. City and provider shall each use reasonable efforts to attempt to procure all approvals required under subparagraph (c) above as rapidly as possible after satisfaction of subparagraphs (a) and (b) above. City and Provider shall agree in writing to a specific commencement date immediately following satisfaction of the above conditions, not to exceed 30 days.

3. Term. This Agreement shall terminate two (2) years following satisfaction of the condition described in paragraph 1(b) above, or unless good cause exists under the State regulatory authority to terminate the contract.

4. Agreement Extension. City may, at its option, notify Provider at any time no less than 30 days prior to the expiration of this Agreement of City's desire to extend the term of this Agreement. The Agreement shall be so extended unless Provider notifies City no less than 60 days prior to the expiration of the of this Agreement that Provider does not desire to extend the

term of this Agreement. The extension shall be by mutual written agreement amendment for up to a maximum of 72 additional months. Any single extension period to be in increments of not more than 24 months each.

5. Dispatch Agreement. City's 9-1-1 Emergency Dispatch Center shall dispatch to Provider requests for ambulance services. In the event Provider notifies the City of a possible prolonged response time (greater than 25 minutes), City reserves the right, in its sole discretion, to dispatch requests for medical services to other ambulance companies, to provide such service itself as provided by law, or to otherwise obtain the necessary ambulance services.

6. Acceptance. Provider shall accept and respond to all requests for ambulance transportation dispatched by City's 9-1-1 Emergency Dispatch Center within the EMS Service Area. City and Provider acknowledge that certain requests for ambulance service within the EMS Service Area may require transportation of the patient beyond the boundaries of the EMS Service Area and Provider agrees to provide such service as may be required.

7. Emergency Assistance. The Provider shall be capable of responding to major emergency situations that require more than the minimum number of ambulances during any period of the day. The Provider shall maintain a detailed and separate plan that includes the available ambulances and personnel for immediate dispatch and acceptable response times rendered for major emergency situations. This plan must also provide for the availability of ten (10) additional ambulances with a twenty (20) minute or less response time to any given location within the City of Tempe.

8. Response Times. Provider shall meet or exceed those response time requirements approved by the Arizona Department of Health Services and set forth in Provider's Certificate of Necessity (CON) as may be modified from time to time by the Department of Health Services or other governmental agency. Provider shall arrive on scene within 10 minutes 90% of the time for Code 3 requests and within 20 minutes 90% of the time for Code 2 requests. City shall determine the response mode (code 2 or code 3) for the ambulance based upon evaluation of the request for service.

9. Response Time Evaluation. Provider and City shall conduct a monthly evaluation of response times. Response times shall be calculated from the point in time when the City completes its notification to Provider of a request for service (phone hang up) to the time the Provider's responding Ambulance notifies the City and Provider of its arrival time at the scene of the incident. All incidents in which the ambulance arrives on scene (including no transport incidents) shall be included when determining the overall average response time for Code 3 and Code 2 requests. A separate report will be created for Code 2 and Code 3 responses. The evaluation of response time data shall include the total number of requests for services within the City and the total number of exceptions. Exceptions shall be determined at evaluation meetings. Provider may request waiver of exceptions based upon extenuating circumstances. The Fire Chief shall issue final determination of whether a call is excluded from the exceptions. Upon request by City, Provider agrees to prepare a written explanation for any incident in which the Provider has not met this agreement's response time requirements. Provider's explanation shall include a full disclosure of the circumstances of the incident and any corrective action required to comply with the provisions of this Agreement during the remainder of the term of this Agreement. In addition to the foregoing, City may, in its discretion, periodically survey the patients and their families to determine the level of public satisfaction with Provider's services and Provider shall be allowed to respond to any unfavorable responses from users.

10. Dispatch Methodology. Modifications of dispatch methodology may require modification to the response time performance and evaluation standard. Any changes or adjustments to the Dispatch Methodology that impact the Provider's ability to meet the required response time performance standard shall be agreed upon by both the Provider and City and may require modifications to the response time standards. Provider will immediately notify City of any private request for service that they receive in the City of Tempe that will require emergency care and/or transportation to a hospital emergency room for further treatment.

11. Alternative Transportation. As Arizona Statute and DHS regulations are revised to encompass the implementation of alternative transportation options and destinations for service originated within public safety dispatch, the Provider will work cooperatively with City to provide equipment, personnel, joint guidelines, and performance criteria. This process may include, but is not limited to, service vans or other vehicles or personnel as necessary to meet future needs.

12. Ambulances and Stations.

- a. Provider shall continue to provide all ambulances and ambulance sub-operation stations necessary to comply with response requirements set forth in this agreement as well as the Provider's Certificate of Necessity and pursuant to the Rules and Statutes pertaining to the provision of ambulance services. This includes all Orders and Decisions of the Director of the Department of Health Services. Current ambulance staffing includes four (4) 24-hour ambulances dedicated solely to the City's EMS Service Area positioned at two (2) sub-operation stations.
- b. Throughout the term of this Agreement, Provider and City will review call volume, historical transport volume, historical response time performance and historical seasonal trends to evaluate the need for additional ambulance unit hours and/or additional sub-operation stations within the City. Provider and City shall review actual data (time of day/day of week) to determine the appropriate times of operation for the additional unit hours.
- c. The City and Provider will work cooperatively in the development of dispatch protocols that reduce the number of ambulance responses to incidents that are minor in nature and usually do not require transportation. This will include the establishment of protocols for the immediate cancellation of ambulances in such cases, allowing for the ambulance to return to an available status, available to respond to other emergency calls within the EMS Service area.
- d. In the event that the Provider is unable to provide adequate personnel to properly staff and operate the four (4) dedicated ambulances described above the Provider shall immediately allow the City to staff any vacancy. Provider and City shall establish a Policy and Procedure for callback staffing. This will enable the Provider to meet response time standards and to provide proper coverage of the EMS Service Area. The Provider agrees to reimburse the City for reasonable labor costs.
- e. If the Provider knows or suspects that there is a possibility that Provider may suffer a shortage of personnel that will affect the Provider's ability to make

available to the City the number of required operational dedicated Ambulances, the Provider shall notify City of such possibility at least 72 hours prior to the anticipated occurrence. If Provider knows or suspects such possible personnel shortage after this 72-hour notification deadline, Provider shall notify City of such possibility.

- f. Dedicated ambulances shall not be used for inter facility transfers or non-emergency 911 calls turned back to Provider in the City of Tempe. Dedicated ambulances are only to be utilized for 911 emergency calls in which the fire department is also responding.
- g. City will be notified any time that a dedicated Tempe ambulance is moved out of the City of Tempe. Provider will provide a quarterly report identifying the total number of move-ups, which ambulance was moved, how long they were moved up, which city the unit was moved to, and date of move up.

13. ALS/BLS Ambulance Requirements

a. BLS transportation units shall be equipped and staffed to provide medical treatments, procedures, and techniques that may be administered or performed by an emergency medical technician paramedic ("EMT-B").

b. ALS transportation units shall be equipped and staffed to provide medical treatments, procedures, and techniques that may be administered or performed by an emergency medical technician paramedic ("EMT-P").

14. Ambulances. The Provider shall be the owner/operator of ambulances and shall provide to the City an inventory of all ambulances that may be used by Provider to comply with the terms of this Agreement. Provider shall give City an updated inventory of ambulances upon any addition to or deletion of ambulances. All ambulances shall be equipped, maintained and operated in accordance with the laws of the State of Arizona and rules of the Department of Health Services. All ambulances stationed by the Provider within the City shall be subject to inspection by City at reasonable times and at reasonable intervals. Provider shall provide City a list of information regarding all dedicated ambulances on an annual basis. This list will include the year, make, identification number, and current mileage of each unit. This report will also include information regarding anticipated replacements, if any, during the upcoming calendar year related to dedicated ambulances. Dedicated ambulances shall be of a similar color scheme as City fire department vehicles. All dedicated ambulances shall be identified as to it's call sign (e.g. 71) in letters no less then six (6) inches tall on all four sides and no less then 22" letters on the roof. Each vehicle shall also state its dedication to the City on both sides of the unit.

15. Ambulance Maintenance. Provider shall be responsible for all ambulance maintenance and repair, including but not limited to, all repair, preventative maintenance, parts replacement, labor and other actions necessary to keep each Ambulance in safe and efficient operation conditions. The City reserves the right to review and audit maintenance reports of vehicles used to comply with this Agreement. Provider shall replace all dedicated ambulances after 5 years of service.

16. Equipment and Supplies. Provider shall be solely responsible for providing all emergency medical equipment and supplies necessary for the Provider to perform under this Agreement. The equipment and supplies shall be current in nature and maintained in

accordance with standard medical practices, the laws of the State of Arizona, and rules of DHS. Upon request by the City, Provider shall provide the City with a listing of equipment and supplies maintained in each ambulance used in the performance of Provider's obligations under this Agreement. Provider shall restock City's BLS supplies used for patients transported to a receiving facility. In addition to the foregoing, Provider shall install and maintain in each and every ambulance utilized in the performance of this Agreement:

- a. VHF and UHF radios with all necessary antennas and programmed frequencies capable of communicating with City's Fire Department personnel. Provider will maintain compatible radio system with City at all times. Provider will transition to 800mhz radio system if City upgrades radio system during the length of this agreement.
- b. City mobile data computers.
- c. Hard mounted cellular telephones (programmed with City's requested numbers).
- d. Child-restraint seating immediately available in each dedicated Ambulance, and available upon request for non-dedicated Ambulances.
- e. All equipment identified by DHS for either ALS or BLS Ambulances.
- f. Adapters shall be provided for City's transport ventilators for all wall mount and portable oxygen cylinders.
- g. Light preemption emitters (Opticom) set at City's appropriate frequency.
- h. All units shall be equipped with proper seat belts/safety belts that enable it to transport two (2) patients while secured to backboards.
- i. All units will be equipped with working seatbelts in the patient compartment that allows for four (4) personnel to accompany the patient to the hospital.
- j. All units will be supplied with up to date Tempe Fire Department maps.
- k. All dedicated units will have a portable radio with appropriate radio frequencies capable of communicating with fire department personnel.
- l. Upon 90 days prior written notice to Provider, City may require Provider to carry additional equipment in its dedicated ambulances during the term of this Agreement if reasonably necessary for good patient care.

17. Communication Personnel. Provider shall establish a minimum of one (1) staff position to be responsible at all times for coordinating all requests for service and disposition of ambulances, personnel and other resources. Provider shall have an established dispatch training program and shall provide documentation, upon request, verifying that personnel assigned to dispatch have completed the program. The Provider shall also provide and document continuing education programs for communications personnel.

18. Fixed Based Communications. Provider shall have sufficient communication link(s) to City's 9-1-1 Emergency Dispatch Center. All requests for ambulance services shall be coordinated through the City's 9-1-1 Emergency Dispatch center. The Provider's central dispatch center shall also have a back-up power system capable of allowing dispatching to continue in the event of a loss of electrical power or equipment failure at the fixed-base location.

19. Management and Supervisors. Provider shall hire and maintain properly educated, trained, and experienced personnel to serve in Provider's managerial and supervisory positions. Provider shall identify all managers and supervisors to City and shall provide City with the following information on such personnel: tenure with Provider; education, training as experience as related to emergency medical services; and duties and responsibilities to be provided in compliance with this Agreement. Provider shall provide updated information to City on its managers and supervisors upon written request by the City.

20. Attendants. Provider shall hire, train, and supervise all medical attendants in accordance with the laws of the State of Arizona and regulations of DHS. Attendants shall be properly certified Emergency Medical Technician - Basic (EMT-B) and/or Emergency Medical Technician - Paramedic (EMT-P) with a minimum 6 months service on a 911 ambulance or inter facility unit. Provider shall have in place a continuing education program for personnel who serve as medical attendants and Provider shall maintain and make available to City upon request details regarding continuing education programs. Provider shall attempt to have on duty personnel attend monthly continuing education classes at Tempe St. Lukes. Provider, upon request by the City, shall provide a current listing of all attendants and verification of EMT certification for those personnel directly involved in performing Provider's obligations under this Agreement. Provider agrees to provide continuity of personnel assigned to dedicated ambulances by scheduling Provider staff on A, B, and C-shifts to match the 24-hour shift schedule of City personnel.

21. Drivers. Provider shall hire, train, and supervise all drivers of ambulances in accordance with the laws of the State of Arizona and regulations of DHS. Drivers shall be properly certified and have completed a comprehensive emergency driver-training program and possess an appropriate driver's license. All drivers assigned to dedicated City units shall have a working knowledge of Tempe streets and be familiar with regional hospital locations and access routes.

22. Solicitation of Information. Provider and its agents and employees shall have the right to solicit information concerning any patient's accident and/or hospitalization insurance. Provider shall not, however, make any attempt to collect any service fee, equipment fee, or other fee of any nature from the patient, the patient's relatives, or any other party until the patient has been accepted at the receiving hospital. Provider may solicit authorization for transport from any prepaid medical plan (e.g., AHCCCS) so long as the solicitation of such authorization does not compromise or detrimentally affect patient care.

23. Records. Provider shall cooperate with the City in the City's maintenance of complete and accurate records of all requests for service and deployment of transportation resources, including time and date of the request, location of the incident, identification of the response unit, arrival time of the response unit at the incident scene, total elapsed time between dispatch and completion of transportation to the care facility. Provider shall maintain records in accordance with the record retention requirements of the DHS, regarding the personnel

dispatched on each responding Ambulance. Provider shall make available to City a complete and current record of all personnel employed to perform Provider's obligations under this Agreement. Provider shall maintain and make available to City accurate and complete accounting records, and individual billings, for the operations of its Ambulance service. All accounting records shall be maintained and reported in accordance with standard accounting procedures and shall be subject to periodic audit at the discretion of the City.

24. Evaluation Records - Problem Resolution. The City may survey users periodically to determine level of satisfaction with the service provided by the Provider. All problems and issues between the City and Provider, with reference to Contract requirements or operational concerns, shall be handled promptly utilizing the Problem Resolution Guideline, Attachment A. The Problem Resolution Guideline does not diminish or replace any requirements for evaluating Provider performance and/or other remedies provided for in this Agreement.

25. Cost of Service. All patient charges by Provider for services to the public under the terms of this Agreement shall be in accordance with such rates and charges as may be approved by DHS or any successor governmental entity regulating rates and charges for Ambulance services. Provider shall notify City of any changes in the charges for services provided under this Agreement within (5) days after approval. The City shall not be responsible for non-payment of bills tendered to the individual(s) involved with the services rendered. In the event a ground ambulance is en route to or has arrived on the scene, where Provider did not treat or transport the patient, and circumstances deemed air transport necessary, Provider shall not charge the City or individual(s) for such response.

26. Drill Personnel. Provider agrees to make available the personnel, equipment, and ambulances necessary to participate in emergency drills for a minimum of two (2) drills per calendar year. Provider also agrees to schedule and participate in an annual training session provided by City. This session shall be attended by all dedicated personnel and shall cover the integration of Fire department EMS and command procedures, patient management, and other subjects deemed necessary. Provider will also participate in orientation training provided by City for new employees assigned to dedicated units.

26. Emergency Standby. Provider agrees to provide an ambulance for emergency scene standby, at no charge to the City, when a fire or police incident commander has reason to believe a life-threatening emergency situation warrants an ambulance standby.

27. Transfer Policy. The City shall advise Provider of the status of any injured person at an emergency incident. To provide for the transfer of responsibility for the care of such person or persons, City and Provider hereby establish and agree upon the Patient Transfer Agreement attached hereto and incorporated herein as Attachment B specifically detailing such procedures. All transfer procedures may from time to time be amended by mutual written agreement of City and Provider. In such situations that require City Fire Department personnel to accompany a patient in the Provider's vehicle, Provider agrees to return those personnel using the ambulance to their respective fire stations or units. Ambulance may respond to emergency traffic in Tempe if it is the only unit in Tempe available for traffic or it is the closest unit to the requested incident.

28. Insurance. Provider shall carry all insurance with respect to the ambulances and personnel engaged in the performance of Provider's duties under this Agreement as may be required by all federal, state, county, and city laws, ordinances, charters, rules, regulations and codes. Without limiting any of their obligations or liabilities, the Provider, at his own expense, shall purchase and maintain the minimum insurance specified in Section 30 of this Agreement with companies duly licensed or otherwise approved by the State of Arizona, Department of Insurance, and with forms satisfactory to the City. The insurance coverage, except Workers' Compensation and Professional Liability, required by this Contract, shall name the City, its agents, representatives, board members, officials, employees, and officers, as Additional Insured. All insurance required herein shall be maintained in full force during the life of this Agreement. Any insurance company issuing a policy under this Agreement shall have a financial rating of B plus 10 or better in the then current edition of Best Rating Guide, or in the alternative, be approved by the City as an otherwise acceptable carrier. The insurance company shall agree to notify the City, in writing, of Provider's default in payment of insurance premiums no less than thirty (30) days prior to any cancellation of the insurance and shall agree to accept from City, if City so elects, payment of the insurance premiums to maintain the insurance coverage in full force and effect. In the event the City elects to pay the insurance premiums in arrears, it shall be entitled to recover any premium paid from the Provider. This in no way shall imply the Provider is covered by the City's insurance or self-insured retention.

29. Minimum Insurance Coverages. Provider shall procure and maintain the following minimum insurance coverages.

a. Automobile Liability. Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damages of not less than \$5,000,000, each occurrence with respect to the Provider's owned, hired, and non-owned vehicles assigned to or used in performance of the Providers work or services.

b. Commercial General Liability. Commercial General Liability insurance with an unimpaired limit of not less than \$5,000,000 for each occurrence with a \$5,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, property damage, personal injury, products and blanket contractual covering, but not limited to, the liability assumed under the indemnification provisions of this Agreement. In the event the general liability insurance policy is written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of work or services as evidenced by annual Certificates of Insurance. Such policy shall contain a "severability of interests" provision (a.k.a. "cross liability" and "separation of insured") and shall not contain a sunset provision or commutation clause, nor any provision which would serve to eliminate third party action over claims.

c. Professional Liability. The Provider providing the services required by this Contract will maintain Professional Liability Insurance covering errors and omissions arising out of the work or services performed by the Provider or any person employed by him, with an unimpaired limit of not less than \$5,000,000 each claim. In the event the insurance policy is written on a "claims made" basis, coverage shall extend for two years past completion of all work or services contemplated by this Agreement to be evidenced by annual Certificates of Insurance.

d. Worker's Compensation. The Provider shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Provider's employees engaged in the performance of the work or services; and

Employer's Liability insurance of not less than \$1,000,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

30. Indemnity by Provider.

a. The Provider agrees to indemnify, defend and hold harmless the City, its Mayor and Council, appointed boards and Commissions, officials, officers, and employees, individually and collectively from and against all claims, lawsuits or assertions of liability, caused in whole or in part by any act or omission of the Provider or any of its employees or agents.

b. Provider's duty to defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense (including but not limited to attorney's fees, court costs, and the cost of appellate proceedings) that is attributable to personal or bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of the Provider, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether such claim, damage, loss or expense is caused in part by a party indemnified hereunder including the City.

c. Any and all penalties and damages incurred by City as a result of Provider's failure to obtain any permit or license required under, or to comply with any applicable laws, ordinances or regulations.

31. Indemnity by City.

a. The City agrees to indemnify, defend and hold harmless the Provider, its Board of Directors, officials, officers, and employees, individually and collectively from and against all liability, caused solely by the negligence of the City or any of its employees or agents.

b. City's duty to defend, indemnify and hold harmless the Provider, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense (including but not limited to attorney's fees, court costs, and the cost of appellate proceedings) that is attributable to personal or bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused solely by the negligence of the City, its employees or anyone for whose acts the City may be liable.

c. Any and all penalties and damages incurred by Provider as a result of City's failure to obtain any permit or license required under, or to comply with any applicable laws, ordinances or regulations.

32. Compliance with Law. Provider shall comply with all requirements of any federal, state, county, or city laws, statutes, ordinances, charters, codes, rules, regulations, and other governmental requirements, including but not limited to Arizona Statute and rules of DHS and the charter or ordinances of the City. No provisions of this Agreement shall be construed to require Provider to violate any orders or decisions issued by the Director of DHS or any governing statute or administrative rules regarding the provision of ambulance or ambulance service to the public.

33. Drug Free Workplace. Provider shall maintain a drug free workplace in compliance with federal law.

34. Affirmative Action in Employment. Provider performing under this Contract shall not discriminate against any worker, employee or applicant, or any member of the public because of race, creed, color, age, religion, sex or national origin, qualified individuals because of their handicap status, nor otherwise commit an unfair employment practice. The Provider will take affirmative action to ensure that applicants are employed, and that employees are dealt with during employment without regard to their race, creed, color, age, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

35. Organizational Status. Agreement is not intended to and shall not constitute, create, give rise to, or otherwise recognize a joint venture, partnership agreement or relationship, or any other formal business organization or association of any kind between the parties, and the rights and obligations of the parties shall be only those expressly stated in this Agreement. The parties hereby agree that no person supplied by Provider in the performance of this Agreement shall be an employee of the City and further agree that no right of the City's civil service, retirement, or personnel rules shall accrue to such persons. Provider shall have the total responsibility for all salaries, wages, bonuses, retirement, withholdings, workers' compensation insurance, unemployment compensation, other benefits and all taxes and premiums appurtenant thereto concerning any persons supplied by Provider in the performance of this Agreement, and Provider shall indemnify and hold City harmless with respect thereto.

36. Patient Information. Provider hereby agrees to abide by all policies, standards, and security procedures established by City and AZDHS relating to the release of information concerning the injured party to the extent such policies are not inconsistent with other legal requirements imposed on Provider. Provider will not release copies of City's records to any individual or entity without specific request through subpoena. Provider will notify City of all such requests.

37. Continuation During Disputes. Provider hereby agrees that, notwithstanding the existence of any dispute between the parties or any other provisions of this Agreement it shall continue to perform the obligations imposed on it under this Agreement during the continuation of any such dispute unless enjoined or prohibited by any court of competent jurisdiction or by order or decision issued by the Director of DHS.

38. Termination. Either party may terminate this Agreement for any reason, at any time, upon 120 days written notice. Such termination shall be effective 120 days after the date of such notice. No termination upon notice shall constitute a waiver of any rights granted under this Agreement. Indemnity provisions shall survive termination.

39. Attorney's Fees. In the event of any litigation or other proceeding concerning agreement, the prevailing party shall be entitled to recover their reasonable costs and attorneys' fees.

40. Successors and Assigns. This Agreement shall be binding on the parties hereto and their respective successors and assigns.

41. Controlling Law. This Agreement shall be construed in accordance with and shall be controlled by the laws of the State of Arizona.

IN WITNESS WHEREOF, the parties hereto have placed their signature on the day and year first above written.

SW General, Inc., dba,
Southwest Ambulance

THE CITY OF TEMPE, an Arizona
municipal corporation

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

PROBLEM RESOLUTION PROCEDURE

OBJECTIVE

- To provide City and Provider with a means to identify and resolve issues as they arise.
- To institute a workable procedure for resolving issues which are not resolved on the individual basis.

A. Introduction

The majority of issues arising from disagreements in patient management with the ambulance provider can and should be dealt with on an individual basis with those individuals directly involved in the issue. A philosophy of fairness to all parties and thoroughness of investigation of all facts must be applied in all cases.

Some issues may not lend themselves to determination between the involved individuals and may require a progressive process involving management for ultimate resolution. The following paragraphs outline the steps for problem clearance.

B. Step 1:

Upon identification of a situation requiring application of this problem clearance procedure, those individuals directly involved should attempt to resolve the issue immediately on a private one-on-one basis. If a resolution is mutually agreed upon, this procedure need not be carried further. Should either party involved in the issue prefer not to attempt resolution, if repeated cases occur, or if at any time the discussion on the matter becomes unproductive, attempts for initial resolution should be halted and Step 2 of this procedure applied.

Step 2

If initial resolution via a one-on-one basis for whatever reason is not possible, parties involved in the issue should present their concerns in writing with available facts to their agency's designated representative who can work to resolve the issue. These representatives from each agency should then interview the individuals from their agency directly involved in the issue to determine all facts. This should be done separately within 14 calendar days following written notification of the incident at issue. After the facts are gathered from the person being interviewed, the representatives from each agency should meet in a timely manner and discuss the issue. If the facts confirm that the situation requiring correction did occur, justifying the assembly of all parties to resolve the matter, then such a meeting shall be scheduled. If however, the matter can be resolved between the agency representatives, then the assembly of parties involved is not necessary.

If a need to assemble the parties involved persists, this should be done as soon as possible following the actual incident. The meeting shall involve only those parties directly involved in the incident and shall be held in private.

The objective of meeting should be to resolve this issue so that it does not recur. Resolutions may address related areas of training, policy revision and/or policy development, etc.

Step 3

Those issues not resolved through Steps 1 or 2 of this procedure shall be submitted in writing to each agency representative. Issues of this magnitude may include, but are not limited to, problems with contracted service, failure to comply with contract, or timely corrective action of situations discussed in Steps 1 and 2. Situations of this significance will be forwarded to the CEO, fire chief, or other agency identified representative(s).

The designated representative from each party may be permitted access to documentation and other investigative materials from previous attempts for resolution. Once adequate information and/or evidence on the matter are prepared, a meeting with those parties directly involved must be held in private. Following a thorough investigation and at the conclusion of the meeting, the parties shall attempt a mutually agreed upon resolution. If an agreement is not reached, the fire chief or his/her designee shall determine a resolution. The fire chief or his/her designee shall have the authority in determining such resolution to require any corrective action, up to and including termination of the Agreement. Such resolution shall be delivered to Provider in writing and shall include the timelines under which any corrective action shall occur.

PATIENT TRANSFER PROCEDURES

It is the policy of City of Tempe Fire Department to provide quality and efficient medical services to all injured or ill patients. The objective of this procedure is intended as a guide to the fire officer, ALS provider, and/or firefighter EMT to act with the patient's well being in mind during transfer of patient care.

In order to facilitate the most efficient transfer of patient care from Fire Department to Provider for patient transportation and/or treatment, the following transfer procedures have been adopted.

Upon Ambulance arrival at the scene of a medical emergency where patient care is being provided by Fire Department personnel, the Ambulance crew shall report to the Command Officer or fire officer in charge of the scene for possible assignments to assist in any additional care. These subsequent arriving personnel must avoid duplicating any patient assessment or treatment already completed and shall work under the direction of the Officer in charge or in Command of the incident.

Fire department paramedic personnel shall remain in charge of patient care until it is specifically relinquished to ambulance personnel.

The Fire Department paramedic in charge will determine the necessity for Fire Department personnel to accompany the patient to the hospital. When the Fire Department paramedic accompanies the patient(s) to the hospital, the Fire Department paramedic shall remain in charge of patient care.

The base station hospital will maintain control of the patient and will be the final authority regarding patient care once contact with the base station physician has been made.

When verbal and/or written reports are required, the following information will be conveyed on the patient condition:

1. Verbal report on patient condition including:
 - Patient's chief complaint;
 - All pertinent negative/positive physician findings and patient's current condition;
 - All patient treatment rendered up to the time of transfer;
 - Name and location of base station physician consulted and orders received (if applicable); and
 - Patient destination.

2. Complete written Fire Department EMS incident report signed by the Fire Department and Provider's personnel.

All loading of patients into the Ambulance will be the responsibility of Provider's personnel.

When requested by the Provider, the Fire Department will provide additional personnel to assist during transport.

When the Ambulance has arrived on the scene of an EMS incident, prior to the arrival of a Fire Department unit, the officer in charge of the subsequently arriving fire department unit will seek out the Ambulance attendant in charge for a report on patient care that has already been provided. Following this report, the Fire Department officer may assume Command of the incident/patient. The Provider's personnel will then assist the City as requested in the treatment of the patient. Patient transportation and transfer of care if indicated will occur as outlined in the remainder of this attachment.

It shall be the responsibility of all agencies providing patient care to cooperate and assist in treatment and transportation requirements.

ADVANCED LIFE SUPPORT LABOR SERVICES AGREEMENT

THIS AGREEMENT is entered into this ____ day of November 2001, by and between THE CITY OF TEMPE, an Arizona municipal corporation ("City"), and SW General, Inc., dba, Southwest Ambulance, an Arizona Corporation ("Provider").

RECITALS

- A. Provider provides and renders emergency ambulance and medical transportation services to City by means of a separate Emergency Ambulance Transportation Agreement and under the authority of its Certificate of Necessity with the Arizona Department of Health Services (DHS).
- B. City desires to provide Provider with Advanced Life Support Labor Services (ALS Services) from time to time, as needed.
- C. City desires to have Provider reimburse City for such ALS Services.

AGREEMENT

NOW, THEREFORE, for and in consideration of the foregoing, the mutual promises, covenants, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

- a. "Advanced Life Support" or "ALS" means those medical treatments, procedures (including assessment), and techniques, which may be administered or performed by ALS personnel, established pursuant to A.R.S. 36-2205.
- b. "Emergency Paramedic" or "Paramedic" means a person who has been trained in an emergency paramedic training program and who is certified by the Director to render ALS pursuant to A.R.S. 36-2205 and Article 6 of Chapter 25 of Title 9 of the Arizona Administrative Code.
- c. "DHS," as used in this Agreement shall mean the State of Arizona Department of Health Services.
- d. "Director" means the Director of the Arizona Department of Health Services.

2. Commencement Date. Agreement shall commence simultaneously with the commencement of that certain Emergency Ambulance Transportation Agreement, entered into between the parties hereto the ____ day of September, 2001.

3. Term. This Agreement shall run concurrently with, and for the same term as, the above-referenced Emergency Ambulance Transportation Agreement.

4. Provision of ALS Services. As part of City's provision of fire and rescue services and of Provider's provision of ambulance transportation services, there are instances where, as determined by City's ALS medical authority at the scene and/or in conjunction with City's base station physician, a patient requires ALS services involving on-site emergency medical care and the administration of initial care and preliminary treatment procedures by City's certified Paramedics. City reserves the right, in the sole discretion of the medical authority at the scene and/or in conjunction with City's base station physician, to provide ALS services to the patient utilizing City's own Paramedics.

5. Billing and Collection. In those instances where Provider provides transportation of a patient to whom City's Paramedics render ALS Services during transportation, Provider shall bill for the ALS Services provided to the patient by City's Paramedics. The billing shall be equal to the ALS base rate and other rates, fares, and charges permitted and authorized by law and/or the Arizona Department of Health Services as set forth in Attachment A and incorporated herein by this reference. Provider shall provide collection services and continue collection efforts for a period of 180 days from the date of service. In order to maximize the potential ALS collections, ALS Services must be appropriately documented by City Paramedic personnel in accordance with standards established by Provider and required by third party payors, including Medicare. City shall cooperate with Provider in providing appropriate reimbursement documentation training to City Paramedics.

6. Potential ALS Fee. The Potential ALS Fee shall be defined as the difference between the Advanced Life Support Base Rate and the Basic Life Support Base Rate approved and established by the Arizona Department of Health Services which is in effect at that time of the transport (example shown in Attachment A). The Potential ALS Fee shall not include any portion of the basic life support base rate, disposable supply charges, mileage charges, or any other rate, fare or charge established by the Arizona Department of Health Services.

7. Adjusted Potential ALS Fee. In the event that the Arizona Department of Health Services approves the combining or "rolling-up" of current disposable supply charges, mileage charges or any other rate, fare or charge permissible by the Department into the ALS or BLS Base Rate, City agrees that the Potential ALS Fee shall be adjusted to reflect the subtraction of disposable supply charges, mileage charge, or any other rate, fare or charge from the base rate in order to determine an Adjusted Potential ALS Fee. The Adjusted Potential ALS Fee shall become effective immediately upon issuance of new rates and charges by the Arizona Department of Health Services.

8. Payment to City. Provider shall pay to City amounts received by Provider for the provision of ALS Services provided by City Paramedics, in accordance with Attachment A. Provider shall not be responsible for payment to the City for City-provided ALS Services if Provider does not receive reimbursement for the provision of those services by either 3rd party payors (Medicare, insurance, etc.) or individual responsible parties. Payment to the City, for accounts in which the collection process has been completed and ALS reimbursement has been made, shall be paid no later than the last day of the month following the month Provider collects

said funds from the patient or his/her insurance. All payments for ALS Services to City for ALS Services provided by City Paramedic cease upon expiration of this Agreement.

9. Qualifications of City's Paramedics. City's Paramedics shall at all time be properly certified by the Director and in accordance with the laws of the State of Arizona and the Rules and Regulations of the Arizona Department of Health Services. No personnel of City providing ALS Service as described herein shall be considered an employee of Provider. City shall have the total responsibility for all salaries, wages, bonuses, retirement, withholdings, workers' compensation and occupational diseases compensation insurance, unemployment compensation, other benefits and all taxes and premiums appurtenant thereto and all other appropriate insurance concerning City personnel providing ALS services described herein, and City shall indemnify and hold Provider harmless with respect thereto. City shall retain complete control of its personnel and Provider shall have no authority to direct the operations of City personnel, or to hire, fire, or make other decisions regarding the terms and conditions of their employment.

10. Rates, Fares, or Charges for Ambulance Services. Nothing herein shall be construed to govern, alter, or amend Provider's rates, fares, or charges. All such rates, fares, or charges by Provider shall be in accordance with and shall not be greater or lesser than or different from Provider's rates, fares, or charges as may be approved, fixed, determined, established, and/or authorized by the Arizona Department of Health Services (or any successor governmental entity regulating such rates, fares, or charges) for the service provided.

11. Records.

a. City shall maintain and make available to Provider complete and current records of all City's Paramedics employed to perform the ALS Services described herein. This includes but is not limited to copies of current ALS certifications. All records shall be maintained by City for at least five (5) years.

b. City shall provide Provider, at time of service, with all completed ALS Medical Encounter Forms for documentation of ALS services provided by City's Paramedics.

c. City shall provide Provider, at time of service, with all necessary Medical Billing Documentation in accordance with the requirements established by Provider for reimbursement by third party payors, including but not limited to Medicare.

d. City shall provide Provider, on a monthly basis, with a listing of all transports where City Paramedics determined ALS Services were required for effective patient care and City Paramedic accompanied the patient to the health care facility. This list shall include the date of service, address of pick-up location, patient's first and last name and the destination point. Documentation described in Sections 11(b) and (c) shall also be provided. City shall deliver all documentation to Provider no later than 10 business days following the month of service in order to qualify for reimbursement. Provider and City shall perform an audit on the completeness of required documentation and final determination shall be made as to the appropriateness of an ALS Service classification.

e. Provider shall maintain and make available to City accurate and complete accounting records, and individual billings, for the operations of its ambulance service pertaining to this Agreement. All such accounting records shall be maintained and reported in accordance with standard accounting procedures and shall be subject to periodic audit, at reasonable

intervals at the request of City. Accounting records shall be retained and maintained by Provider for a period of five (5) years. Nothing herein shall limit or alter Provider's obligation to maintain books and records as required by law and/or the Director.

12. Organizational Status. This Agreement is not intended to and shall not constitute, create, give rise to, or otherwise be recognized as creating a joint venture, partnership, or any other formal business organization or association of any kind between the parties, and the rights and obligations of the parties hereunder shall be only those expressly stated in this Agreement. The parties hereby agree that no person employed by City in the performance of this Agreement shall be an employee of Provider. City shall have the total responsibility for all salaries, wages, bonuses, retirement, withholdings, workers' compensation insurance, unemployment compensation, other benefits and all taxes and premiums appurtenant thereto concerning any persons employed by City in the performance of this Agreement, and City shall indemnify and hold Provider harmless with respect thereto. This Agreement is intended to be a contract for ALS Paramedic labor only and to create only an independent contractor relationship between City and Provider. This Agreement is intended to provide only for the payment to City by Provider for the ALS Services provided by City's Paramedics described herein and not for the payment and/or reimbursement to City for any transportation, ambulance service, disposable supplies or mileage charges. All emergency ambulance and transportation services shall be provided solely by Provider.

13. Insurance. City shall carry all insurance with respect to the ALS Services and personnel engaged in the performance of City's duties under this Agreement as may be required by all federal, state, county, and city laws, ordinances, charters, rules, regulations and codes. This shall include, but is not limited to, Professional Liability Insurance covering errors and omissions arising out of the services performed by City under this Agreement and Workers Compensation Insurance to cover obligations imposed by federal and state statutes having jurisdiction of City's employees engaged in the performance of this Agreement. All insurance required shall be maintained in full force and effect until all service required to be performed under the terms of this Agreement is satisfactorily completed and formally accepted.

14. Indemnity by Provider.

a. The Provider agrees to indemnify, defend and hold harmless the City, its Mayor and Council, appointed boards and Commissions, officials, officers, and employees, individually and collectively from and against all claims, lawsuits or assertions of liability, caused in whole or in part by any act or omission of the Provider or any of its employees or agents.

b. Provider's duty to defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense (including but not limited to attorney's fees, court costs, and the cost of appellate proceedings) that is attributable to personal or bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of the Provider, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether such claim, damage, loss or expense is caused in part by a party indemnified hereunder including the City.

- c. Any and all penalties and damages incurred by City as a result of Provider's failure to obtain any permit or license required under, or to comply with any applicable laws, ordinances or regulations.

15. Indemnity by City.

a. The City agrees to indemnify, defend and hold harmless the Provider, its Board of Directors, officials, officers, and employees, individually and collectively from and against all liability, caused solely by the negligence of the City or any of its employees or agents.

b. City's duty to defend, indemnify and hold harmless the Provider, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense (including but not limited to attorney's fees, court costs, and the cost of appellate proceedings) that is attributable to personal or bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused solely by the negligence of the City, its employees or anyone for whose acts the City may be liable..

c. Any and all penalties and damages incurred by Provider as a result of City's failure to obtain any permit or license required under, or to comply with any applicable laws, ordinances or regulations.

- 16. Compliance with Law. Provider and City shall comply with all requirements of any federal, state, county, or city laws, statutes, ordinances, charters, codes, rules, regulations, and other governmental requirements, including but not limited to Arizona statutes and regulations. No provision of this Agreement shall be construed to require Provider to violate any orders or decisions issued by the Director of DHS or any governing statute or administrative rules regarding the provision of ambulance service to the public.
- 17. Attorney's Fees. In the event of any litigation or other proceeding concerning agreement, the prevailing party shall be entitled to recover their reasonable costs and attorneys' fees.
- 18. Successors and Assigns. This Agreement shall be binding on the parties hereto and their respective successors and assigns.
- 19. Controlling Law. This Agreement shall be construed in accordance with and shall be controlled by the laws of the State of Arizona.

IN WITNESS WHEREOF, the parties hereto have placed their signature on the day and year first above written.

SW General, Inc., dba,
Southwest Ambulance

THE CITY OF TEMPE, an Arizona
municipal corporation

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

Arizona Department of Health Services Rates and Charges

The following are the General Public Rates and Charges for Advanced Life Support and Basic Life Support Base Rates as approved and issued by the Arizona Department of Health Services, effective May 4, 2001. In the event that the Arizona Department of Health Service's approved rates for the provision of ALS and BLS services changes, such change shall be deemed to change the Potential ALS Fee automatically as of the effective date of each such change in the DHS approved rates.

Advanced Life Support (ALS) Base Rate	\$ 409.20
(Excludes Disposable Supplies, Mileage Charges)	
Basic Life Support (BLS) Base Rate	\$ 304.51
(Excludes Disposable Supplies, Mileage Charges)	
Potential ALS Fee	\$ 104.69*

* Payment for ALS Services

Based upon the current DHS approved rates, the potential ALS Fee is \$104.69. Actual payment to City, for ALS Services provided by City's Paramedic, is based upon actual reimbursement for ALS Services received during a 180 day billing cycle.

Example: Provider transported a patient and City Paramedic determined ALS services were required and accompanied the patient, Provider will bill the ALS Base Rate. If Provider was successful in collecting 100% of amount billed, and reimbursement was made at the ALS level, the City's payment would equal 100% of the \$104.69. If Provider was successful in collecting 50% of the amount billed and reimbursement was made at the ALS level, the City's payment would equal 50% of the \$104.69. If reimbursement was made at the BLS level, there shall be no City ALS payment. Payments received by Provider for BLS services, disposable supplies and mileage shall be retained solely by Provider.

Implementation of HCFA's New Fee Schedule – Payment of ALS Services

The Health Care Finance Administration (HCFA) or Medicare plans to publish a new ambulance reimbursement fee schedule that will may become effective on or about January 1, 2002. The effects of the new fee schedule will negatively impact reimbursement of ambulance fees. The City and Provider agree that in order to determine a fair methodology for determining a new potential ALS Fee to be used upon implementation of HCFA's new reimbursement fee schedule the following methodology shall be used.

- a. Compute the Potential ALS Fee based upon the difference between the Advance Life Support Base Rate and the Basic Life Support Base Rate approved and established by the Arizona Department of Health Services.
- b. Compute the Potential ALS Reimbursement based upon the difference between the Advance Life Support reimbursement rate and the Basic Life Support reimbursement rates from the new HCFA Fee Schedule.

c. Add the two figures together and divide by two to determine the New Potential ALS Fee

d. Example:

DHS ALS Base Rate	\$200.00	
DHS BLS Base Rate	<u>\$100.00</u>	
Difference		\$100.00
HCFA ALS Reimbursement Rate	\$150.00	
HCFA BLS Reimbursement Rate	<u>\$100.00</u>	
Difference		<u>\$ 50.00</u>
Combined		\$150.00
Divided by two. <u>New Potential ALS Fee</u>		\$ 75.00

- d. City and Provider agree that the Potential ALS Fee shall be the difference between the Advanced Life Support Base Rate and the Basic Life Support Base Rate approved and established by the Arizona Department of Health Services which is in effect at that time of the transport not including, disposable supply charges, mileage charges, or any other rate, fare or charge throughout the term of this agreement. The ALS fee will be adjusted as indicated any time a change has been approved and implemented by the Arizona Department of Health Services regarding base rates for transportation services. The Provider and City shall meet to discuss future reimbursement rates and its impact on Potential ALS fees.

AMBULANCE TRANSPORTATION CONTINGENCY AGREEMENT

Contingency Agreement. This agreement is to provide a means for continuous uninterrupted emergency ambulance coverage for the City of Tempe. This agreement would become effective immediately in the event Provider is unable to provide for staffing of the four (4) dedicated ambulances. Provider will immediately notify City of any potential or real situations that may cause a service disruption. This will include but is not limited to staffing problems, financial instability/bankruptcy, takeover/merger, and/or labor slowdowns/strikes.

A. Staffing

Temporary staffing of the four ambulances may be provided by one of the following options determined at the sole discretion of the City:

- I. The Provider continues to provide staffing of the dedicated units. If disruption is due to financial concerns City may reimburse contractor for reasonable labor costs.
- II. City may provide staffing of Provider's ambulances. If disruption is caused by any reason other than financial insolvency Provider will reimburse City for reasonable labor costs.

B. Vehicles

Provider will immediately make available (at no cost to the City) a minimum of four (4) ambulances for EMS coverage requirements. These ambulances will be the four dedicated units or units of equal condition to those currently assigned to Tempe. All ambulances will be road ready and in good working order. These units will remain available for use by the City until a suitable replacement plan can be implemented (180 days maximum). Vehicles will operate from locations determined most appropriate by City.

C. Certificate of necessity

Provider will assist and support the City in their efforts to secure an "Emergency Certificate of Necessity" in the event that Provider is unable to meet the terms and conditions of its Certificate of Necessity.

D. Termination of Agreement

Failure to provide staffing, vehicles and support for certificate of necessity as described in items A through C above for operation of all dedicated Tempe ambulances may result in immediate termination of the "Ambulance Transportation Service Agreement".

IN WITNESS WHEREOF, the parties hereto have placed their signature on the day and year first above written.

SW General, Inc., dba,
Southwest Ambulance

THE CITY OF TEMPE, an Arizona
municipal corporation

By: _____

Its: _____

Date: _____

By: _____

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